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April 9, 2013

VIA HAND DELIVERY

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: South Carolina Dual Party Relay Fund/Request for Expedited Review

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") requests expedited review of the attached Petition concerning the South Carolina Dual Party Relay Fund (the "Fund"). The Fund is currently operating at a deficit which is anticipated to grow given the reduction in revenues caused by declining access lines. ORS seeks a determination from the Public Service Commission of South Carolina ("Commission") as to whether the current surcharge of \$.15 per access line should be increased to \$.25 per access line to maintain the current level of services or whether the Commission would prefer to modify or eliminate program areas, or a combination thereof.

Respectfully submitted,

Nanette S. Edwards

cc: Joseph Melchers, Esquire - General Counsel, Public Service Commission

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

IN RE:)	
)	
South Carolina Dual Party Relay)	PETITION OF
Program)	THE OFFICE OF
		REGULATORY STAFF

The South Carolina Office of Regulatory Staff ("ORS") files this Petition seeking a determination from the Public Service Commission of South Carolina (the "Commission") as to whether the Commission desires to continue current operations of the South Carolina Dual Relay Program which is operating at a current deficit of \$366,215.69¹ due to the decline in business and residential landline revenues, or whether the Commission desires to modify or eliminate existing programs. In support of this Petition, ORS provides the following:

1. The South Carolina General Assembly established the South Carolina Dual Party Relay Program to provide telephone access to persons who are hearing-or speech-impaired. The South Carolina Dual Party Relay Program outlined in S. C. Code Ann. § 58-9-2520 may include the following items:

- a. a statewide dual party relay service;
- b. a service provider to provide relay service that handles all intrastate calls via telecommunications devices for the deaf;
- c. a distribution system for all TTYs; and

¹ The deficit as of third quarter is (\$366,215.69) and by the end of the fiscal year will increase by approximately (\$138,585.92) to (\$504,801.61).

- d. the establishment of procedures to implement and administer all aspects of the dual party relay service, the distribution of TTYs, and a funding mechanism to cover all associated costs.
2. The General Assembly also gave the Commission the authority to establish the telephone relay surcharge to fund the Dual Party Relay programs identified by the Commission. Currently, the Dual Party Relay surcharge is set at \$0.15 per business and residential telephone access line.
3. Historically, the Dual Party Relay Program has maintained a carry-forward balance as program expenses have been below program revenues. In fiscal year 2012, the carry-forward balance was eliminated due to the shortfall in revenues caused by declining access lines. The main program funding areas include Real-Time Closed Captioning, Instructional Closed Captioning, SC Equipment Distribution Program (“EDP”) Administration, SC General Assembly Closed Captioning, SC EDP Equipment, and Relay Service.
4. Dual Party Relay Program areas have not increased expenses since fiscal year 2009 when the Commission approved an overall budget of approximately \$4.1 million. In addition, most Dual Party Relay Program areas have managed to end the fiscal year under budget. See Table 1 attached to this Petition.
5. To adequately fund the current level of services in each of the Program Areas until the end of fiscal year 2016 the Dual Party Relay surcharge would need to be increased to the maximum allowed by S.C. Code Ann. § 58-9-2530 of \$0.25 per business

and residential access line effective June 1, 2013. Other options available to the Commission to ensure Dual Party Relay Fund sustainability are:

- 1) Reduce the budgets in Program Areas
- 2) Eliminate Program Areas

WHEREFORE, ORS respectfully requests guidance from the Commission regarding operation of the South Carolina Dual Party Relay Program. Due to the shortfall in funding this fiscal year, ORS seeks expedited review of this matter.



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April 9, 2013

**Table 1. Dual Party Relay Program Areas
Budget Analysis**

Program Funding Area	Vendor	PSC Approved Budget	Actual Expenses FY10	Actual Expenses FY11	Actual Expenses FY12	Projected FY13	Projected FY14 ¹	Projected FY15 ¹	Projected FY16 ¹	Projected FY17 ¹
Real-Time Closed Captioning	U.S. Captioning Company	\$810,000.00	\$538,913.00	\$539,672.00	\$537,326.00	\$535,921.00	\$553,445.78	\$570,049.15	\$587,150.63	\$604,765.15
Instructional Closed Captioning	SC ETV	\$138,000.00	\$57,168.88	\$33,545.49	\$5,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SC EDP Administration	SCSD8	\$816,672.00	\$755,888.58	\$734,619.81	\$740,951.14	\$241,771.05	\$988,000.00	\$640,000.00	\$659,200.00	\$678,976.00
SC General Assembly Closed Captioning	SC Senate	\$175,000.00	\$181,571.82	\$202,543.97	\$135,419.99	\$106,000.44	\$82,400.00	\$84,872.00	\$87,418.16	\$90,040.70
SC EDP Equipment	ORS	\$800,000.00	\$457,335.17	\$ 564,790.76	\$352,958.60	\$205,646.83	\$363,547.34	\$374,453.76	\$385,687.37	\$397,257.99
Relay Service	Sprint	\$1,423,524.00	\$1,829,551.60	\$1,764,200.41	\$1,996,306.51	\$1,954,931.64	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00
Interpreters	Various	\$2,500.00	\$0.00	\$480.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legal Fees	Craig Davis	\$0.00	\$8,295.00	\$10,395.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous (Copies)		\$0.00	\$0.00	\$152.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total		\$4,165,696.00	\$3,828,724.05	\$3,850,400.08	\$3,768,762.24	\$3,044,270.96	\$3,987,393.12	\$3,669,374.91	\$3,719,456.16	\$3,771,039.85
Carry Forward from Prior Fiscal Year										
	Actual Revenue		\$1,580,846.21	\$923,349.07	\$94,164.12	\$102,791.00	\$6,682.79	\$226,671.17	\$456,276.50	\$350,005.34
	Projected Revenue (FY13-FY17)		\$3,423,430.30	\$3,192,875.44	\$2,939,577.21					
	Annual Number of Access Lines	27,771,306	22,822,868	21,285,836	19,597,180	\$2,948,162.75	\$4,207,381.50	\$3,898,980.25	\$3,613,185.00	\$3,348,338.54
	Monthly Number of Access Lines	2,314,276	1,901,906	1,773,820	1,633,098	18,160,707	16,829,526	15,595,921	14,452,740	13,393,354
	% Decline in Lines			6.73%	7.93%	1,513,392	1,402,461	1,299,660	1,204,395	1,116,113
	Per Line Assessment (FY13 11 months at \$0.15 and 1 month at \$0.25)					7.33%	7.33%	7.33%	7.33%	7.33%
	Annual Actual and/or Projected Amount over/under Expenses		\$923,349.07	\$94,164.12	\$102,791.00	\$6,682.79	\$226,671.17	\$456,276.50	\$350,005.34	(\$72,695.97)

Footnotes:

(1) All Project Expenses are increased to reflect estimated contract pricing and customer demand.